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1986/06/11



AP/TE/P, TS
United States Department of State

Washington, D.C. 20520

June 11, 1986

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MEMORANDUM

TO: EAP/C - Mr. Schlaikjer
OES/SAT - Col. Malahy
PM/STA - Mr. Peoples
T - Ms. Smith
DOD - Ms. Michel
NASA - Mr. Norton

FROM: PM/MC - Steve Koumanelis

SUBJECT: Memcon with Mr. Peter D. Nash (sp?) of the Financial Times of London June 6, 1986

Mr. Nash called me from London at 11:30 a.m Washington, D.C. time on whether the Office of Munitions Control would permit U.S. satellites to be launched in space by China. I told him essentially that:

1. Whereas there are prohibitions regarding Soviet launches, the same does not apply to China.
2. U.S. industry requests for procurement of satellite launch services from China must be reviewed on a case-by-case basis and are determined in the light of the specific deliverables involved in the relevant negotiated agreement. We do not grant advance or general approvals, although we do give advisory opinions in advance.
3. In reply to his specific question as to whether we have approved such an application from the U.S. firm TERESAT, I responded that thus far we received several informal requests from American companies; however, I could not identify the firms or elaborate on the subject for proprietary reasons.

4. Review and formal determination of such cases normally takes about a month, in addition to the time required for COCOM review.

5. I gave him my name, which I spelled out for him, but asked that it not be disclosed. He agreed and thanked me for the information.

TS authority is: 6/26/92

IS/PPC/COR	MR Cases Only:
EO Citations	TS authority is: 6/26/92
DEPARTMENT OF STATE	
<input checked="" type="checkbox"/> RELEASE	<input type="checkbox"/> DECLASSIFY
<input type="checkbox"/> EXCISE	<input type="checkbox"/> DECLASSIFY IN PART
<input type="checkbox"/> DENY	<input type="checkbox"/> DENY
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FOIA Exemptions	
PA Exemptions	

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Steve Koumanelis

EAP/C

In reply refer to
MC Case GC-0347-86

JUN 12 1986

Mr. Henry A. Schwartz
President, TERESAT INC.
Universal Satellite Corporation
300 E. 59th Street
New York, N.Y. 10022

Dear Mr. Schwartz:

Your letter of June 2, 1986 requested an advisory opinion from the Department of State concerning a proposed draft agreement between China Great Wall Industries Corporation and your firm (TERESAT Inc.) for the launch of two spacecraft.

After a preliminary review, the Department has concluded that it anticipates no problem authorizing your firm or any other American company to procure satellite launch services from China. However, final approval will have to await receipt of a negotiated launch service agreement, which contract will identify the specific satellites and any other equipment involved. Moreover, the document should describe as clearly as possible the technical data the Chinese will need from you in order to be able to provide the contracted launch services. It is understood that the required data will be of the type necessary and appropriate to render such services.

In seeking final approval, be sure you satisfy all of the requirements of the Department's International Traffic in Arms Regulations, including Section 123 covering the exportation of equipment and Section 124 governing agreements and services. Also, be sure that your request consists of five complete sets of the background documentation so as to enable simultaneous review by all interested U.S. Government agencies. (In the present case you submitted only one set which prevented us from seeking the views of other interested agencies).

2.

It should be noted that any U.S. Government approval will be subject to COCOM review and receipt from the Chinese of appropriate end-use and non-transfer assurances covering the U.S. origin satellite equipment and associated technology.

The present letter represents a favorable advisory opinion and not an export authorization of any kind.

Sincerely yours,

William B. Robinson
Director
Office of Munitions Control

MC:SKoumanelis:sag:6/11/86:0336G

Clearances: EAP/C - SSchlaikjer - 6-10-86
OES/SAT - Col. VMalahy - 6-11-86

cc: EAP/C, OES/SAT, PM/STA, DOD, NASA, T, SK